



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 March 13, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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March 13, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at County facilities. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

- (1) Account Number LAC+USC MC – 10415411 \$2,758
- (2) Account Number LAC+USC MC – 11232080 \$4,234
- (3) Account Number LAC+USC MC – Various \$4,500
- (4) Account Number LAC+USC MC – 8159688 \$24,496
- (5) Account Number LAC+USC MC – Various \$26,124

Total All Accounts: \$62,112

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$62,112.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts.

The Honorable Board of Supervisors

3/13/2012

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: MARCH 13, 2012

Total Gross Charges	\$72,984	Account Number	10415411
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$72,984	Date of Service	6/20/10 – 7/2/10
Compromise Amount Offered	\$2,758.46	% Of Charges	4 %
Amount to be Written Off	\$70,225.54	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$72,984 for medical services rendered. The patient qualifies for Ability-To-Pay (ATP) with no liability and his application for Healthy Way LA (HWLA) is pending. If HWLA is later approved, DHS will bill HWLA and refund the settlement amount. The patient's third party liability (TPL) claim settled for \$12,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$4,000	\$4,000	33 %
Lawyer's Cost	\$160.68	\$160.68	1 %
LAC+USC Medical Center *	\$72,984	\$2,758.46	23 %
Other Lien Holders *	\$1,241.54	\$1,241.54	11 %
Patient	-	\$3,839.32	32 %
Total	-	\$12,000	100 %

* Lien holders are receiving 34% of the settlement (23% to LAC+USC Medical Center and 11% to others).

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, this compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: MARCH 13, 2012

Total Gross Charges	\$24,328	Account Number	11232080
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$24,328	Date of Service	1/7/11 – 1/11/11
Compromise Amount Offered	\$4,234	% Of Charges	17 %
Amount to be Written Off	\$20,094	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$24,328 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$225	\$225	2 %
LAC+USC Medical Center *	\$24,328	\$4,234	28 %
Other Lien Holders *	\$3,353	\$540	4 %
Patient	-	\$5,001	33 %
Total	-	\$15,000	100 %

* Lien holders are receiving 32% of the settlement (28% to LAC+USC Medical Center and 4% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: MARCH 13, 2012

Total Gross Charges	\$20,046	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$20,046	Date of Service	Various
Compromise Amount Offered	\$4,500	% Of Charges	22 %
Amount to be Written Off	\$15,546	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$20,046 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$457	\$457	3 %
LAC+USC Medical Center *	\$20,046	\$4,500	30 %
Other Lien Holders *	\$5,469.15	\$1,147.50	8 %
Patient	-	\$3,895.50	26 %
Total	-	\$15,000	100 %

* Lien holders are receiving 38% of the settlement (30% to LAC+USC Medical Center and 8% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: MARCH 13, 2012

Total Gross Charges	\$321,382	Account Number	8159688
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$321,382	Date of Service	11/12/08 - 12/8/08
Compromise Amount Offered	\$24,496.32	% Of Charges	8 %
Amount to be Written Off	\$296,885.68	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$321,382 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$40,000	\$40,000	40 %
Lawyer's Cost	\$112,867	\$25,000	25 %
LAC+USC Medical Center **	\$321,382	\$24,496.32	24 %
Other Lien Holders **	\$78,624	\$5,503.68	6 %
Patient	-	\$5,000	5 %
Total	-	\$100,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

** Lien holders are receiving 30% of the settlement (24% to LAC+USC Medical Center and 6% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 30% of the settlement with the patient receiving the remaining 5%.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: MARCH 13, 2012

Total Gross Charges	\$249,546	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$249,546	Date of Service	Various
Compromise Amount Offered	\$26,124.27	% Of Charges	10 %
Amount to be Written Off	\$223,421.73	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$249,546 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$40,000	\$40,000	40 %
Lawyer's Cost	\$7,751.47	\$7,751.47	8 %
LAC+USC Medical Center **	\$249,546	\$26,124.27	26 %
Other Lien Holders **	\$1,842.50	\$1,842.50	2 %
Patient	-	\$24,281.76	24 %
Total	-	\$100,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

** Lien holders are receiving 28% of the settlement (26% to LAC+USC Medical Center and 2% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 28% of the settlement with the patient receiving the remaining 24%.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.